THE MYSORE PAWNBROKERS BILL, 1961 AS PASSED BY LEGISLATIVE COUNCIL.

Motion to consider.

Sri J. H. SHAMSUDDIN.—I move :

"That the Mysore Pawnbrokers Bill, 1961, as passed by Legislative Council, be taken into consideration."

Mr. DEPUTY SPEAKER.—Motion moved :

"That the Mysore Pawnbrokers Bill, 1961, as passed by Legislative Council, be taken into consideration."

†Sri J. H. SHAMSUDDIN.—Sir, this is a Bill which has undergone scrutiny by the Select Committee and by the Upper House. This is a simple Bill. The provisions of this Bill are already in operation so far as areas that have come to our State from the Madras State. We want to have an uniform Bill for the whole of the State. Some of the provisions contained in the Bill were incorporated in the Money Lenders Act but we thought it fit to have two Bills for simplicity and administrative convenience, one for regulating the activity of the money lenders and another for regulating the activity of pawnbrokers.

Under clause every pawnbroker shall give to the pawner a pawn ticket in the prescribed form. This is one of the important clauses and another important clause is Clause 12 which requires that a pawnbroker must have proper books of account so that the articles pledged or pawned may be identified and also the interest charged. Clauses 19 and 20 deal with the jurisdiction of the courts to try offences and arrest defaulters on warrant. Under clause 21, it will be wrongful for an unlicenced pawnbroker to accept any article as pawned and advance oans.

The activities of the pawnbrokers are to be regulated and controlled in the interest of the barrower because some times it so happens that they do indulge in malpractice ; they do not keep any proper account and do not account properly for the quantity pawned and quality also of the pawned article. Sometimes they charge heavy interest ; they also resort to other types of malpractices as to the amount advanced as also amount received. Therefore the Government thought fit to regulate these. This Act requires them to keep account and give proper details of articles pawned, the amount advanced, the interest charged and the amount received. The pawnbrokers' tickets also will give sufficient indication of the article pawned so that the pawner when he wants to redeem it must be in a position to know what he has pawned and should feel satisfied that he is getting back or taking back same article that he has pawned with the same weigh and quality. Therefore, Sir, with a view to regulate and control the activities of pawnbrokers and check some of the malpractices that may be prevalent in this trade, the Government seek to take powers under the provisions of this Bill. I hope, Sir, the House will accord unanimous sanction to this, Bill.

†Sri M. C. NARASIMHAN (Kolar Gold Fields).—Sir, the Pawn Brokers Bill now before us is more or less on same lines as the Madras Pawn Brokers Act, 1943. It is no doubt a welcmoe measure the principles of which have to be welcomed. If this Act is enforced properly with some of the amendments that are likely to be suggested by us, then certainly will it be a very welcome measure. Sir, one of the important aspects of this Bill is the question of regulation of interest. I consider it of paramount importance as also regulation and maintenance of accounts and safeguards that are to be given so far as pawners are concerned. This menace of pawn brokers is particularly there in all labour areas where a large number of workers reside. There you find a large number of marwaris charging ignorant workers and ignorant villagers exorbitant interest and practising all sorts of deceipts on the pawners and also on those people who come for relief to them. If we look into the Bill, some of the details I am afraid, are not satisfactory in some material particulars. I will go into only a few of those things and I hope the Hon'ble Minister in charge of this Bill will take note of these observations and try to bring at least some amendments. For example Section 3 says that hereafter no pawn broker shall carry on business of pawning unless he obtains a licence. Now, on principle it is very good. But in clause 3 says that six months must lapse after the enforcement of this Act and then only he need obtain a licence. I do not see any reason why 6 months grace time is given in respect of possessing a licence. This is strange. It is said that this Bill is to be read along with the Mysore Money Lenders Bill which is also simultaneously enforced ; in fact Section 23 (2) says that the provisions of this Act shall be in addititon to the provision of the Mysore Money Lenders Act, 1961. But I do not see any provision similar to Section 3 in the Money Lenders Act. It does not show that a pawn broker shall obtain licence only after six months after the enforcement of this Act. It looks as if it is inconsistent with the other Act. There he is required to obtain Money lenders licence immediately after the Act comes into force but as a pawnbroker he can wait for six months. There is something inconsistent. There is absolutely no justification for the Government to say that he shall wait till six months after the enforcement of the Act. Now, the Second inportant provision is regarding the grant and renewal of licence. I am only pointing out the omission in Section 4. Section 4 (2) prescribes the grounds under which a pawn broker's licence can be refused by the granting authority. It does not clearly enumerate the other conditions unders which a licence can be refused. For example Section 15 (2) of the Bill says that the court under appropriate circumstances can cancel a licence. A court may cancel a licence or suspend a licence. I do not see much difference between the two. Licence is valid only for one year so far as this Act is concerned ; it is not valid for a long period. It is valid only for one year. Under Madras Act, it is valid for three years. Now, cancellation of a licence would only mean cancel till December next year. According to Section 3, cancellation will not be a permanent cancellation. If a

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pawnbroker commits any offence which is deemed by the court to attract cancellation of licence, then under those circumstances the renewal application must also be refused by the Registrar and it should not be that after December of the year concerned or after the suspension period, he must be allowed to go back and register himself as a pawn broker. One other material particular is, I do not understand sub-clause (4) which says that every licence shall be granted or renewed in such form and subject to such conditions as may be prescribed. So far as I can see, all the conditions that are required to be enumerated in respect of pawn ticket, pawn broker's licence etc. are enumerated in Section 9 itself. I do not know what further conditions are sought to be laid. If there any more conditions, it is better that we know them in clear terms.

With regard to licence fees, it says that it shall be Rs. 10 in respect of original licence and Rs. 5 for renewal of licence. If a person has got more branches than one, it shall be Rs. 3. I do not see any reason why if a person has got more than one branch he should be given a right of paying Rs. 3 and not Rs. 5 or Rs. 10 as in the case of original application or renewal application. In the Money Lenders Act there is no such provision. I do not see any justification for this distinction between the two. Now, Sir, there is one defect. That is also not clear. Since the Money Lenders Act simultaneously applies to pawnbrokers also, is he required to possess two licences, or one licence ? Under the Money Lenders Act, according to Section 5, he is required to possess a licence after the payment of fees as laid down under Section 6 sub-clause (4). But Section 23 in this Bill says that Money Lenders Act shall simultaneously apply to the Pawn Brokers also. Whether he is required to obtain two licence or only one licence is not very clear. Now in clause 4, there is a provisian which says :

> "Provided that where an application is made after the expiry of the period prescribed by rules in respect of such application, it shall be accompanied by a fee at double the rates specified above."

This is a misnomer really because there is no period prescribed in the main section. In the Money Lenders Act it definitely says that an application shall be made within a prescribed period. It is possible they envisage that in a year in a particular month it should be made. But there is no such section here as such enabling them to make rules in respect of the date for which an application shall be made. So, that is also not a very happy provision. Now, a very important provision is the interest charges allowed to a pawnbroker. The povision allows for an interest not exceeding nine per cent. In Madras, the provision was 9¼ per cent in respect of amounts not exceeding

Rs. 250 and in respect of amounts exceeding Rs. 250, the rate of interest was to be not exceeding 6¼ per cent. Now, if this is a measure which is calculated to improve what was in the past, what is the special reason under which Government find it necessary to raise the interst from 6¼ per cent to 9 per cent. 6¼ per cent return on capital is considered to be a fair return by banking interests in this country. For example public loans, so far as I know have never charged more than five per cent interst or the co-operative societies for that matter, more than five per cent interest. Even unsecured loans, for example credit institutious like I. C. I. or I. F. C., do not charge more than 7½ per cent in case if unsecured loans. Therefore. I do not see any reason why or any special justification for raising the interest rate form 6¼ per cent which is the prevalent rate in Madras, so far as Madras area is concerned, why it should be raised to 9 per cent. The Madras Act is in force in the Madras area of South Kanara and Bellary. Why should it be raised ? It is something retrograde and r eactionary and is calculated in the interests of the money lenders, particularly pawnbrokers. The next thing is, in Section 6, a pawnbroker is entitled to make charges in addition to interest in such cases as be prescribed. I do not see why it should left to be prescribed under rules. It may be laid down in the Statute itself. Here there are no charges envisaged. If it is a question of preserving an article pawned. Charges for copies of documents you have provided for in the Statute. Charges for sale, that is provided for. Therefore, I do not see any reason for this provision at all. Now, in Section 8, a person producing a pawn ticket is presumed to be entitled to redeem the pledge. It is not clear if any other person can be authorised to take the pawn ticket and get the pledge redeemed. One other important thing so far as the working of the Act is concerned is the language in which the accounts are maintained. Most of the Marwaris maintain accounts in their own language, that is Marware language.

AN HON'BLE MEMBER.—(*Gujarati.*)

Sri M. C. NARASIMHAN.—Gujarati also. Nobody understands the way in which accounts are maintained. Even now, in the Mysore Money Lendrs Act, there is supposed to be a provision which requires the Registrar to prescribe the language. That a dead letter which is only on paper. The language is supposed to be kannada. But nobody keeps the accounts in Kannda or in English. But it is kept in Hindi or in Devanagiri script or in Gujarati or Marathi language. Now this is a very serious matter. Most of the ignorant people do not understand the language. Even if you may obtain copies, you do not understand the accounts, and really the pawner is not in a position to obtain any relief. I would suggest that the language in which accounts should be maintained should not be marely Kannada or English, but also a regional language in which it is understood by the majority of the people. In Kolar Gold Field, for example, it is comlpetely Tamil. The majority of the people understand Tamil. It can be appropriately

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Tamil and there would be no objection. In the border areas, it could be Marathi and there could be no objection to that language. It should not be a language which is understood by the money-lenders and not the pawners.

Sri J. H. SHAMSHUDDIN.—There is a provision in Section 10 that the State Government may by notifiction prescribe any other language. Government has taken power to change and prescribe any other language.

Sri M. C. NARASIMHAN.—I am saying that the language should be specified and should not be in a language which the owner does not understand. At present, the same thing subsists in the Money Lenders Act and Marwaris maintain accounts in their language only.

Sir, in Section 10 (*d*), a pawnbroker to furnish accounts on the requisition of the pawner. But for that you have perscribed a fee. I do not see, Sir, what is the justification for a fee. Because, it is the duty of the pawnbroker to give the account, and the whole mischief or the evil is perpetrated, here that the charges of interest accrued are not made known to the pawner. You can say that he may not, *i. e.*, the pawner, may not get it every now and then. But he may get it once in six months or once in a year or somthing like that. But it must be free, and he must not be asked to pay. If it is a sum of Rs. 250, and the pawn broker includs all typing charges, etc., it will be an elaborate sum. It may exceed the interest itself. The other thing in this Bill is, the statement of account is supplied to the pawner and not to the Registrar. Under the Money Lenders Act, it is supplied both to the person who is a debtor and also to the Registrar. It is necessary to keep a proper check and than only is it possible to enforce the Act precisely. So it is necessary to send copies of the accounts to the Registrar also. Now, under Section 12, the sale of pledged article and inspection of sale is provided for. But the sale has to be done on public auction. Incidentally in sub-section (1), an article which is pledged for not exceeding ten rupees shall be disposed of by pawnbroker by auction. In Section 10 (*a*), it is sale by auction and in 10(2), it is by public auction. I do not see if there is any difference between the two. Why not the same terminology be used in both ? The more serious thing here is in the case of sale by auction, it is necessary that the pawner be given a notice. Now there is no provision for that. It is true that when there is a public auction, and perhaps it is understood, that the pawner gets a notice. But it may happen that he may not be in the station and the article which is disposed of by auction may be a vital article in which is he vitally interested. Therefore, he ought to be given an opportunity in some specific manner and this may be provided under Section 12. Sir, under Section 15, there is the provision for the Court to cancel the licence say for receiving a higher rate of interest then provided in the Statute. But it says cancellation of

licence. Does it mean that he is in position to renew ? The licence is for not more than one year. Firstly it must be clarified as to whether he is entiled to renew, and secondly as to why the Court or the Registrar should not have powers of suspension in appropriate cases. Whenever there is an impeachment of the Act that he has not carried on business in accordance with the provisions of the Act, then it must be effectively laid down that the Registrar or the Court is entitled to suspend the licence.

11-30 A.M.

That is what we find in similar legislation and I do not see any reason why it should not done here also.

In Section 17, there is a provision that whenever a pawnbroker finds that an article is stolen or supects that it has been stolen, he must communicate to the nearest police station the facts of the case and shall deliver person and the article or either of them to the custody of the police. What I am not able to understand is this. Supposing he hands it over to the police, will he be entiled to compensation in regard to it ? He is not entiled to in regard to stolen articles. If you refer to Section 21a doubt arises because it says.—

> "Where a pawnbroker is guilty of an offence against this Act (not being an offence against any provision of this Act relating to licences), any contract of pawn or other contract made by him, in relation to his business of pawnbroker, shall nevertheless not be void by reason only of that offence, nor shall he by reason only of that offence, lose his line on or right to the pledge or to the loan and the interest and other charges, if any payable in respect thereof;"

So it looks as if he is entitled to get interest add the principal ? Would it mean that if a person has pawned a stolen article, the pawnee man may go to jail ? In addition, will the pawnbroker be entitled to recover the principal and the interest from the concerned pawnee. This is a point which is not clear. Suppose believing *bona fide* that it is a stolen article, the pawnbroker pays loan to a particular person and subsequently he comes to know that it is a stolen article. Then, I would like to know whether the pewnbroker is still entitled to get some relief.

Coming to Section 21, I am really not able to understand sub-section (2). If a pawnbroker is guilty of any offence under the Act, still he is entitled to recover the loan and the interest. Section 15 says that a person shall not recover interest at a higher rate than 9 per cent. It is definitely an offence. Still, this section says that notwithstanding that offence, he will be entitled to recover towards the principal and interest. Some of the offences enumerated in Section 16 are interesting. For example, sub-clause (7) which says:

> (7) sells or otherwise disposes of any pledge pawned with him except at such time and in such maner as is authorised by or under the Act;

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I fail to understand the principle underlying this Section 21.

The second proviso to Section 21 reads,

"Provided further that if in any suit or proceding relating to a loan the Court finds that a pawnbroker has not maintained accounts as required by clause (*a*) or clause (*b*) of sub-section (1) of Section 10, he shall not be allowed his costs."

This is a little unfair.

As regards maintenance of accounts, there is a difference in the manner in which he should maintain accounts under Section 10 and in the Money-lenders Act. In the Money-Lenders Act, there a particular method whereby the payments made by the debter to a money-lender to be charged towards the principal and the interest. Certain should be charged to th interest and the principal, so that the interest is wiped off. In the Money-Lenders Act, the interest should be wiped off as possible and the principal must be apportioned in such a manner as to be convenient to the debtor. Section 10 does not contemplate any such principle. I am afraid there is a conflict between the two. It is not very clear and it should be clarified.

†Sri V. SRINIVASA SHETTY.—Sir, this is a necessary piece of evil which ought to be brought into force all over the State. My Hon'ble friend he pointed out several defects in the Bill. I do not wish to go at length into the provisions of this Bill. However, I should like to point out a few things.

In the first instance, I should like to refer to clause 4 (6). A fee is payable by an applicant in whose name the application is made for a licence. Under sub-clause (6), the fee payable under this section shall be paid in the manner prescribed and shall not be refunded, nor withstanding the fact that the grant or renewal of the licence is refused ot the application is withdrawn. I am unable to understand this provision. I do no know whether such a blanket provision exists in any other Act. If the Government refuses to grant him a licence or if he himself on second thought is not willing to take a licence, it is but natural that fee should be refunded and not forefeited.

Then, I should like to draw the attention of the Government to Clause 9 particularly to the proviso which says:—

"Provided that an application shall not be made under this clause where the loan exceeds two hundred and fiftey rupees unless the applicant has caused a public notice of his claim, containing such particulars as may be prescribed, to be published in the prescribed manner not less than the prescribed number of days before the date of the application."

Suppose a pawner loses his ticket and the amount exceeds Rs. 250. This proviso says that a publication should be made and the number of

days for which the publication is made fixed. Suppose in the meanwhile that ticket is lost, what happens to the pledged goods ? Before the date of publication, he is not in a position to approach the pawnbroker because the law says that only after the date of publication he can approach the pawnbroker. In the meanwhile somebody finds a ticket and approaches the pawnbroker. Under law, he cannot refuse because the presentation of the pawn ticket make him liable to give the article. The owner is not able to approach the pawnbroker without the ticket. That is why, I say that some provision should be made to see that the interest of the owner is protected. It is quite natural that a pawn ticket is stolen or lost and found by a third party. The owner should be enabled to get the article and he should not be penalised. Therefore I have proposed an amendment that a receipt be given to the pawnee by a pawnbroker. When a pawn ticket is lost, the pawnbroker should at least give a notice to him. So, I have suggested that a written notice might be given to the pawnbroker to say that he has lost the ticket and to release the article.

Clause 12 refers to sale of pledge and inspection of sale book. I refer to sub-clause 2. This is a reprehensible provision in the Bill because a pawnbroker is a trustee of the goods. We know that generally illiterate and very poor people go and pledge the goods. If a pawnbroker is allowed to bid and purchase the pledged goods, he may find umpteen methods of evading the law. Even if there is a provision he may see that a notice is not served and the valuable articles are purchased by him. I know there is a provision in the Transfer of Properties Act according to which a trustee in certain circumstances is not allowed to bid for goods. For example a lawyer who is a trustee cannot bid for the property of the client. Similarly the pawnbroker who is like a trustee should not be allowed to bid. Of course, even if we provide a provision to that effect, he may find some other way to bid for the goods. That apart, law must be there to the effect that he should not bid. Whenever a poor man pledges very valuable things for a small sum, the pawnbroker can bid at the auction which he himself conducts. Supposing there are no bidders, he will see that the articles go to him. So, a law must be there to the effect that he should not bid for the goods. Unless that is done, there are many ways to hoodwink the law.

So, I suggest that the Government might look into the matter and make clear that the pawnbroker is not at liberty to purchase articles which are pledged with him. I feel this whole clause may be deleted without affecting the Bill. A pawnbroker should not be given the right to purchase the articles.

I shall refer to sub-clause (2) of clause 15. It says that a pawnbroker is convicted of an offence under sub-section (1) after having been previously convicted of a similar offence the court may order his licence to be cancelled. The court is given the discretionary

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power to cancel the licence. But to use that discretion, it is only when an offence is commiteed for the second time. I feel this is too much of a latitude. So, I suggest that if the court convicts him; even after first conviction, the discretionary power might be used by the court to cancel the licence.

In sub-clause (4) of clause 16 there is a prohibition of purchasing an article otherwise than at a public auction. That is also wrong. Public auction can be manipulated by a pawnbroker. I suggest that this public auction should be deleted. The Hon'ble Deputy Minister is very fond of using the phrase plugging loopholes. Here is a big hole through which even an elephant can pass. So, here is a big loophole for the pawnbroker to escape.

Sir, with these modifications I suggest that this Bill is a welcome measure which would be enforced in the State as vigorously as possible.

† Sri J. H. SHAMSUDDIN.—Sir, I am happy to say that this Bill also received the unanimous support of the house in principle except for certain suggestions made by some of the Hon'ble Members. One of the objection was why a pawnbroker should be given grace time of six months before he makes an application and brings himself within the purview of this Act. This is a new Act and any Act comes into force after some time it is in operation. So far as Mangalore and Madras area is concerned, we are having this Act with certain stringent clause putting certain restrictions on the business of pawnbrokers. We have thought it fit that we may be given some breathing time to them to see what are the provisions of the Act and that the functions and duties cast upon them. Therefore grace time of six months is allowed just to enable them to make necessary preparation for complying with the provisions of the Act. It will not be allowed to be misused in any manner.

Then Sir, an objection was made why should there be a charge of Rs. 3 in respect of additional branches that a pawnbroker may think it fit to open. Of course we charge Rs. 10 for the first application and Rs. 5 for renewal. If a man has got more than one branch, naturally, it is reasonable not to charge Rs. 10 which is meant for a single operation. Therefore we have reduced the fees in order to enable him to take more than one licence. When he pays Rs. 10 in respect of one principal business, naturally it is not proper on our part to demand the same amount of fee in respect of branches that he might open.

Sri S. D. KOTHAWALE.—Clause 4 (3) says that any person aggrieved by an order refusing the grant or renewal of a licence may, within the prescribed time, appeal to the prescribed authority. I think it is better to prescribe time in the Section itself because it is a substantive right given. So, I suggest that the time may be fixed here only and not allow it to be prescribed.

Sri J. H. SHAMSUDDIN.—It is a simple matter as to when appeal should be made and in what form it should be made and what authority. They are not of a fundamental character and I do not think the House will object if that power is given to the Rule Making Authority. Objection was taken to sub-clause (6) of Clause 4 saying why not fee be refunded if the application is refused or if it is withdrawn after some time. The fee is meant to cover certain incidental charges that the administration has to incur on account of machinery set up to enforce the Act. Once the machinery is set up by an application, then naturally it is not proper that the applicant should be entitled for the refund of the fee. After the machinery is set up and enquiry starts and after the enquiry if the authority comes to the conclusion that the applicant will not be entitled to a licence, the licence will be refused. Then he will not be entitled for refund. After a lapse of time also if the applicant comes to the conclusion that he should not enter the business of pawnbroking and informs the Government that he would not like to take a licence, because the enquiry has already been started and administrative machinery has been set up, it should not be made free.

Sri S. D. KOTHAWALE.—Some Court fee may be prescribed for such application.

Sri J. H. SHAMSUDDIN.—After all, the highest fee is Rs. 10 and the other fees are Rs. 5 or Rs. 3. It is not a big amount for a pawnbroker who is a money-lender who is deemed to possess a lot of money for making advances. Refund on that account is not desirable so far as this class of people is concerned. Then Sir, Clause 6 (2) says that a pawnbroker may demand and take from the pawner such charges and in such cases as may be prescribed. A point was made what are the charges and why should he be allowed that latitude when he charges interest. We have imposed certain restrictions on the pawnbroker. If a pawner has lost a ticket, he is entitled to get a duplicate. This entails charges. Further in the case of money-lending also, we have imposed a similar liability on the person who takes a loan from a money-lender. Therefore, he is to be reimbursed. Supposing if we restrict the interest to a particular rate and then all the incidental administrative charges like giving tickets or duplicates etc. are foisted on the pawnbroker, he will be losing all the amount of interest that he will be earning. Therefore it will not be proper on our part to foist that charge on the pawnbroker. A question has been asked why interest rate is raised from 6 to 9 per cent. Nine per cent is the maximum to be charged. The Government while prescribing the rate of interest to be charged will take into consideration the conditions prevailing in the market. In any case it will not be more than 9 per cent. There are certain banks who charge interest at 9 per cent and no loans or accommdations will be available in some scheduled or non-scheduled banks at lower rate than 9 per cent. There are certain advances which are made at 12 per cent. Therefore, the Government

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have prescribed the maximum of 9 per cent. The Government have also taken powers to reduce it or alter it according to circumstances that prevail in a particular area or particular locality as well as the particular time. Objection was taken to proviso to Clause 9 and suggested why application shall not be made under this clause in writing. There is notice to a pawnbroker of the loss because Clause 9, it has been said that if anybody goes to a pawnbroker and says that he is the owner of the pledged article and wants the return of the article on the ground that he has lost the ticket, that is sufficient notice to pawnbroker.

Sri V. SRINIVASA SHETTY.—Suppose he denies that he has not come to him? The notice is oral. Suppose a pawner has lost his ticket and he simply goes to a pawnbroker and request him to get it published. But to-morrow if he denies he has ever come to him and says that somebody has approached him and he has given the article, where is the safety?

Sri J. H. SHAMSUDDIN.—That we cannot help. If anybody presents the ticket to the pawnbroker, the pawnbroker is compelled to give the pawn. That is the scheme of the Act. We have accepted that if the pawnbroker is compelled, he should hand over the article to the pawner. In the ticket, duty is not cast upon the pawnbroker to verify the person bringing the ticket is the same person who has originally pledged or not. That is the scheme of the Act.

12-00 NOON

So there is provision here that on the presentation of the ticket with which the pawn-broking was transacted, the pawnbroker will give the article.

Sri V. SRINIVASA SHETTY.—A person may steal the ticket and if he presents and takes the article, what is the use? The other person will lose it.

Sri J. H. SHAMSUDDIN.—For the redemption of the article, the pawner should bring the ticket. After taking the ticket, the pawnbroker hands over the article. There is no liability on the pawnbroker to return the article without the ticket. But when a man goes to the pawnbroker and says that he has lost the ticket, and that a duplicate should be given to him, then, he must make an application in the prescribed form adequately stating the reasons for the loss of the ticket and making a declaration regarding the loss; afterwards, a duplicate ticket is issued. That is the scheme of things. Therefore, I feel that the proviso is quite necessary.

An objection was taken, as to how a pawnbroker is entitled to bid at public auction. I feel that is a salutary provision. There should be seriousness. Otherwise, the public auction will become ineffective. Sometimes if the auction becomes ineffective, it may be prejudicial to

the interests of the pawner himself. Suppose the pawnbroker wants to sell the article at a particular time and arranges to hold the auction, and if no bidder comes forward, the pawn-broker will be at a loss. We cannot penalise him to suffer the loss and allow the interest to be accrued. If supposing the public auction becomes ineffective, what is the result ? The pledged article will be with the pawnbroker. He may sleep over the matter. But the interest will go on accruing to such an extent that it may go beyond the worth of the article pledged, real value of the article. Therefore, we will be putting a great disadvantage on the pawnbroker. We cannot do that. Wherefore, when a public auction is held that means, notice is given to all the people including the pawner. Naturally, we cannot have any provision which will make auction ineffective and thereby put an added restriction on the activities of the pawnbroker. Therefore, it is quite necessary.

Then, Sir, objection was taken as to why licences should not be cancelled and the pawnbroker punished once he commits an offence. Of course, as I remarked earlier, the time for rectification, for improvement and repentence is given. But if he commits an offence for the second time, we have given power to the Court to cancel. The pawnbrokers business is just regulated under the Act.

Sri V. SRINIVASA SHETTY.—Even when the second offence is comitted, the word used is "may" and not "shall".

Sri J. H. SHAMSUDDIN.—Generally, we should not fetter the discretion of the Court. If such a provision had been put, the Hon'ble Member himself would have objected saying that we were hide bound and put undue restriction over our courts of justice and etc. Therefore. we have left it to the judgment of the Court, and on the available evidence do justice, and cancel the licence if necessary.

An objection was made regarding sub-clause (2) to Clause 21, which says that the pawnbroker need not lose his right to the pledge, etc., even though he is guilty of an offence under the other provisions of this Bill. I feel that this sub-clause is quite necessary. Supposing a pawnbroker is penalised under any other provision of the Act, he need not be penalised by making him lose his principal, interest, etc. If that is made, he will be made to suffer penalty not only under the other clauses but also under this clause. It is therefore not necessary that he should be deprived of the interest and the principal amount that he has advanced on the pledge. That is a cumulative punishment. These are some of the criticism made against some of the provisions of the Bill. With the explanations, made, I hope the House is satisfied and accord sanction to the Bill.

Sri S. D. KOTHAWALE.—Under Clause 12, a provision ought to be made that a notice to the pawner should be given before auction sale is made. Even after the auction sale there should be a notice to the pawner intimating him the exact amount of sale, etc. There is no such provision in the Bill.

Sri J. H. SHAMSUDDIN.—That was the criticism raised by some other Hon'ble Members also. I have already said public auction means, notice will be given to the public including the pawner. Therefore, a special notice is not necessary to be issued to the pawner.

Sri S. D. KOTHAWALE.—Supposing the pawner is from a different village or town. If the auction is to be held at a particular place, it would be very difficult for him to know if there is a public notice. An intimation might be sent to the pawner by post. After all it will not entail any great difficulty.

Sri J. H. SHAMSUDDIN.—I would only say that the pawner must be careful. It is he who should be vigilant of his rights.

Sri M. C. NARASIMHAN.—Why not say that it can be prescribed under the rules ?

Sri J. H. SHAMSUDDIN.—When it is said, public notice, it means notice to the public and in a way to the pawner as well. That is sufficient notice to him.

Sri S. D. KOTHAWALE.—Supposing the person has not paid the amount and if his pledged article is to be sold by action, why not give a simple notice to him?

Sri J. H. SHAMSUDDIN.—If a man is intending to commit perjury of law, he can find out so many subterfuges. Any amount of safeguard will not make him stop committing what he wants to commit.

Sri V. SRINIVAS SHETTY.—Is that a reason.

MR. DEPUTY SPEAKER.—The question is:

"That the Mysore Pawnbrokers Bill, 1961, as passed by the Legislative Council be taken into consideration."

The motion was adopted.

MR. DEPUTY SPEAKER.—There are no amendments to Clauses 2 and 3. The question is:

"That Clauses 2 and 3 stand part of the Bill."

The motion was adopted.

Clauses 2 and 3 were added to the Biil.

Clause 4.

MR. DEPUTY SPEAKER.—Clause 4. There is an amendment by Sri V. Srinivasa Shetty.

Sri V. SRINIVASA SHETTY.—Sir I beg to move:

"That in sub-clause (6) for the words 'shall not be refunded.....withdrawn' the words 'shall be refunded in case the grant or renewal of a licence is refused or the application is withdrawn', shall be substituted."

Mr. DEPUTY SPEAKER.—Amendment moved:

"That in sub-clause (6) for the words 'shall not be refunded.....withdrawn', the words 'shall be refunded in case the grant or renewal of a license is refused or the application is withdrawn', shall be substituted."

† Sri V. SRINIVASA SHETTY.—I do not wish to say much because the Hon'ble Minister has already replied to the arguments. He seems to be obstinate and he does not want to even consider a single point raised on this side. This is a sort of obstinacy which we encounter practically every day except in rare cases. Even when reason is there on this side, there is 'unreason' on the other side. Even where the Government rejects an application, it wants to forfeit the amount. This is an unreasonable attitude. We welcome this Bill and we regret that even these simple amendments are not acceptable to the Government. The Hon'ble Minister has closed his mind and does not want anything to enter it. That is the whole difficulty. I commend that this simple amendment may be accepted.

Sri J. H. SHAMSUDDIN.—I am sorry I cannot accept it. I regret the imputation made by the Hon'ble Members. I leave it to the Hon'ble Member himself to judge were obstinacy lies.

Mr. DEPUTY SPEAKER.—The question is:

"That in sub-clause (6) for the words 'shall not be refunded,.....withdrawn', the words 'shall be refunded in case the grant or renewal of a licence is refused or the application is withdrawn', shall be substituted."

The amendment was negatived.

Mr. DEPUTY SPEAKER.—The question is:

"That Clause 4 stand part of the Bill."

The motion was adopted.

Clause 4 was added to the Bill.

Clause 5

Sri B. R. SUNTHANKAR.—Sir, I beg to move:

"That in line 3 of the item (*a*) after the word 'Kannada' the words 'and any other language' shall be added."

Mr. DEPUTY SPEAKER.—Amendment moved:

"That in line 3 of the item (*a*) after the word 'Kannada' the words 'and any other language' shall be added."

† Sri B. R. SUNTHANKAR.—Sir, this sub-clause (5) makes it compulsory for a pawnbroker to exhibit the name of the shop in English and Kannada. My amendment seeks to provide besides these languages any other language. I am moving this amendment for the sake of convenience of the linguistic minority, particularly the Marathi speaking people

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in our border areas. There are areas in this State where languages other than Kannada are predominantly spoken. In our area, Marathi is predominantly spoken. In the Marathi border areas, the majority of people do not know Kannada. Similarly, there are Urdu speaking people in some areas who also do not know Kannada. This amendment is proposed for the convenience of such people belonging to the linguistic minorities. It is the duty of the Government to safeguard the interests of the linguistic minorities and to provide for their conveniences; If this amendment is not made, it will go very hard particularly against the Marathi-speaking people. It is really very unfortunate that I have to move such amendments. I have again and again to raise this issue of language on the floor of this House, but our cry has been a cry in the wilderness. Our appeals have so far fallen on deaf ears. The Government is persisting in its attitude of callousness to the linguistic minorities. There is a tall talk about emotional integration, national integration and safeguards for the linguistic minorities in the nation as well as in the State. Conferences are being held at various levels and at various places in this behalf from time to time. The Southern Zone is said to be taking a lead in respect of providing safeguards for linguistic minorities. This Stage falls within the Southern Zone, but what has been our experience for the last five years? The experience is very better. The lingusistic minorities are neglected and treated with indifference and disrespect. Whatever the Hon'ble the Chief Minister may say, there are large section in this State who do not know Kannada, who are ignorant of Kannada. Their language and their interests have got to be safeguarded. Whenever we press our claims and ask for our rights, what is the answer we get ? We are treated with disrespect and contempt ; we are asked to get out. The Hon'ble Chief Minister in his characteristic arrogance has asked us to get out.

Sri B. D. JATTI.--He is misquoting me ; if he wants to quote me, let him quote correctly. What I said was, if they do not want to stay, we cannot compel them to stay here.

Sri B. R. SUNTHANKAR.—I am not misquoting him.

Sri B. D. JATTI.—I am saying it is a misquotation : it can be verified from the records.

Sri B. R. SUNTHANKAR.—May I know whether he has asked us to get out ?

Sri B. D. JATTI.—No. You cannot take one word here and one word there from what I said and make use of it. If you want to be fair, you quote me properly.

Sri B. R. SUNTHANKAR.—He said that 'they have got the option to get out'. So the words 'get out' are there and they are objectionable.

Sri B. D. JATTI.—Let the Hon'ble Member take no objection. Let him say anything with reference to the context and let him not take out a few words here and there and make use of them because it suits him.

Sri B. R. SUNTHANKAR.—Even taking the context, may I ask whether he was polite or decent. It was not courteous on the part of the Chief Minister to ask the Members to get out.

Sri B. D. JATTI.—I do not want to take any lessons from the Hon'ble Member.

Sri B. R. SUNTHANKAR.—That shows with what disrespect and contempt we are being treated here. That reveals the attitude of the Chief Minister as well as the Government. If the Chief Minister does not want us here, why retain us here forcibly ; he should allow us to go. Moreover, it does not require the Chief Minister of a State to tell us to get out ; we know it better. We know whether to get out or not, where to get out, when to get out and how to get out.

I have no hesitation to declare in this House that we will get out. Not only we will get out but get out with all the territory that we call as Marathi Speaking areas. We have determined to get out whatever may be the wishes of an individual or whatever the wishes of.....

Sri B. D. JATTI.—Sir, is it relevent to the Bill we are discussing now ?

Mr. DEPUTY SPEAKER.—The Hon'ble Member will please confine his remarks to the provisions of the Bill.

Sri B. R. SUNTHANKAR.—You have provoked us. That is why we are forced to...

Sri B. VAIKUNTA BALIGA.—Provocation is not a good ground.

Sri B. R. SUNTHANKAR.—Sir, this is a vital amendment. This is a simple matter and I request the Government to accept it in the interest of giving convenience to the people who do not know Kannada. With these remarks I close the speech.

† Sri BALWANT RAO (Bhalki).—Sir, I rise to support the amendment moved by Sri B. R. Sunthankar. It is a simple amendment and I hope that the Deputy Minister and the Government will accept it.

The reason behind moving this amendment is very clear. There is no need for any lengthy speech. The very intention of this clause is that the people should know who the pawnbroker is and where his shop is. For this purpose only this amendment is brought forward. If the people of that area are unable to understand what is written on the signboard, then what is the aim or purpose to provide this clause. Take for example Bidar District. In Bidar district hardly you will find two per cent of the people of that area whether they speak Kannada or Marathi or any other language who can understand or read and write

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Kannada. Especially in Bidar proper we can find that people whose mother tongue is Kannada, cannot read or write Kannada. So, what is the use of keeping signboards in Kannada ? Suppose in Aurand taluka, where people know only Marathi and who do not know either Kannada or English, what is the use of keeping signboards in such places. Hon'ble the Deputy Minister knows very well that when he visited Bidar district, he made Speeches in Urdu or Hindi because the people could not understand Kannada.

Sri J. H. SHAMSUDDIN.—I did so indiference to the wishes of the people. You cannot draw an inference that they do not know Kannada. They thought that I may not be able to speak well in Kannada. That does not mean the audience were unaware of Kannada language.

Sri BALWANT RAO.—It is a fact that the people in Bidar do not know Kannada. I do not understand why our Government is adamant in such small matters. After the reorganisation we find even on milestones Kannada words are written. Nobody can understand that. What is the use of giving such a facility. It is not a facility. Therefore, our Government should think in a way which is convenient to the people. Here it is a simple amendment. I do not think there is any harm for Government or for any people if the words 'any other language' are provided in this clause. Therefore I request the Hon'ble Minister to accept this amendment. When you compel the people to live here it is the duty of the Government to provide all the facilities. There is a Urdu saying

We are in such a situation. Neither you allow the people to go out nor you give them any facility.

In Clause 10 also there is one clause which says :

> "All records or entries made in the books, accounts and documents referred to in sub-section (1) shall be either in English or Kannada as may be prescribed :
>
> Provided that the State Government may by notification permit the use of any other language in any area for such period, not exceeding three years, as may be specified in the notification."

Here also why should you prescribe a period. The Government knows that there are certain areas where people cannot understand Kannada. But, I do not know how they think that three years period would be sufficient to learn Kannada. There should be no limitation. In this clause also this period of three years should be deleted. With these remarks I request the Hon'ble Minister to accept the amendment.

MR. DEPUTY SPEAKER.—The House will now rise and meet at 3 P.M.

The House adjourned for recess at Thirty Minutes past Twelve of the Clock and reassembled at Ten Minutes past Three of the Clock.

Sri J. H. SHAMSUDDIN.—Sir, I feel that this amendment is not essential because the pawnbrokers, being shrewed business, men know where their interest lies. Under this clause they are compulsorily required to write in their boards English and Kannada. Beyond that they are at liberty to write in anyother language. If they are doing business in a Marathi area, I am sure they would also write their names, addresses in Marathi also because the board being an advertisement, the pawnbroker is bound to write his name in the local language. The Hon'ble Members know that we are not compelling them to keep their accounts in Kannada; they can do so in their language.

Sri BALAWANT RAO.—May I know why they should keep the boards in Kannada, when Kannada is not the language of the region.

Sri J. H. SHAMSUDDIN.—That becomes necessary in order to entitle our officers to visit the shop and make surprise inspections.

Sri C. M. ARUMUGHAM.—I cannot understand the policy of the Deputy Minister. The Chief Minister said the other day that Kannada is not compulsory and now we find Kannada is being compelled. Moreover Hindi is the national language and why not compel the pawnbrokers to keep boards in Hindi instead of Kannada.

Sri J. H. SHAMSUDDIN.—The pawnbroker can write the Board in Hindi or Marathi or Telugu as he likes, provided the Board is also written in English and Kannada. We do not wish to compel him to write it in Hindi because if we add another language in this clause it would become compulsory. I hope the Hon'ble Member would withdraw the amendment.

Mr. SPEAKER.—The question is :

"That in line 3 of item (*a*) after the word 'kannada' the words 'and anyother language' shall be added."

The amendment was negatived.

Sri B. R. SUNTHANKAR.—I beg to move :

"That in line 4 of item (*b*) between the words 'kannada' and 'language' the words 'and any other' shall be added."

Mr. SPEAKER.—Amendment moved :

"That in line 4 of item (*b*) between the words 'kannada' and 'language' the words 'and anyother' shall be added."

Sri B. R. SUNTHANKAR.—I regret very much that my first amendment was not accepted by the Honourable Deputy Minister. Pawnbrokers may do anything, but we want what the Government does for the linguistic minorities. In item (*b*) there is no provision even for English. Exclusively Kannada is to be used.

Mr. SPEAKER.—The information on the pawn tickets should be in Kannada.

Sri B. R. SUNTHANKAR.—Here there is no provision for at least English. What I said regarding the first amendment applies with greater force to this amendment. Have due regard and consideration for the languages of linguistic minorities. There are Marathi people who do not know Kannada. I appeal to the Government to have sufficient, consideration for their language, for their feelings.

†Sri M. C. NARASIMHAN.—I want to support the spirit of the amendment with slight modification. The wording of Mr. Sunthankar's amendment is likely to meet with difficulties. He can slightly amend it adding the words 'prescribed language.' If it is any other language then the difficulty, all other languages will have necessarily to be got printed. That will be vague, and will not nec essarily serve the purpose which Mr. Sunthankar wants. I would suggest any other prescribed language so that the Government can prescribe in different areas different languages. Information on the pawn ticket is meant exclusively for the pawner. I can understand the opposition of the Deputy Minister in respect of the the first amendment because the pawnbroker himself is interested in advertisement ; so he will necessarily use all languages spoken in the area. But in the second amendment where the information that is required to be passed on under the pawn ticket is to be placed in a conspicuous place. It is the pawner that is interested. You will see that in a Tamil area the pawner will not know what is contained in the pawn ticket; in Marathi area the pawner will not know what is contained in the pawn ticket. The principle is, as stated in the Statement of Objects and Reasons, to safeguard the interests of the panwner to see that as much information as possible is given to the pawner. I hope he will accept this amendment with the slight modification that I have suggested.

†Sri J. H. SHAMSUDDIN—I am sorry I cannot accept the amendment. The amendment as it is or according to Mr. Narasimhan will create confusion. I have got a strong reason to reject the amendment. There is no linguistic battle here. Government times out of number said that the linguistic minorities will receive not only fair but proper consideration and that consideration is evidenced by the concerned Government in having a proviso under clause 10. When the question of accounting comes, Government naturally have taken power...

Sri M. C. NARASIMHAN.—Clause 10 is only regarding accounts ; but clause 5 relates to information that is to be contained in the pawn ticket ; both are entirely different things.

Sri J. H. SHAMSUDDIN.—I was replying to the Honourable Member who moved the amendment, saying that there is no consideration, on concession shown to the linguistic minority. I was pointing out that the Government concerned has to make proviso under clause 10 wherein it is enunciated that Government may prescribe any other language, Kannada or English for maintaining the accounts. This shows the solicitude on the part of the Government. Therefore, I am sorry I

cannot accept the amendment and I would request the Honourable Member to withdraw the amendment.

Mr. SPEAKER.—The question is :

"That in line 4 of item (*b*) between the words 'Kannada' and 'language' the words 'any other' shall be added."

The amendment was negatived.

Mr. SPEAKER.—The question is :

"That Clause 5 stand part of the Bill."

The motion was adopted.

Clause 5 was added to the Bill.

Mr. SPEAKER.—Clause 6.

Sri M. C. NARASIMHAN.—Sir, I beg to move :

"That for sub-clause (1) the following shall be substituted.—

(1) No pawnbroker shall charge interest in the case of a loan on a pledge at a rate exceeding :—

(*a*) nine per cent per annum simple interest in the case of loans of Twenty-five rupees, and

(*b*) six and a quarter per cent per annum simple interest (or one anna per rupee) in other cases.

(*c*) or at such other rate of interest lower than in (*a*) or (*b*) as the State Government may from time to time fix by a notification."

Mr. SPEAKER.—Amendment moved :

"That for sub-clause (1) the followin gshall be substituted :—

(1) no pawnbroker shall charge interest in respect of a loan on a pledge at a rate exceeding :—

(*a*) nine per cent per annum simple interest in the case of loans of twenty-five rupees, and

(*b*) six and a quarter per cent per annum simple interest (or one anna per rupee) in other cases ;

(*c*) or at such other rate of interest lower than in (*a*) or (*b*) as the State Government may from time to time fix by a notification."

3-30 P.M.

Sri M. C. NARASIMHAN.—Sir, I objected to this clause in the course of the general debate but the reply of the Hon'ble Minister was very unsatisfactory. You may say that this is the maximum ; but, you may take it for granted that the pawnbroker will certainly charge nothing less than nine per cent. My amendment suggests the rate as it is in Madras Pawnprokers Act of 1943. Till today, this is the rate

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of interest charged in South Kanara and in Bellary area. I do not see any special justification for enhancing from 6¼ per cent to 9 in Mysore State. Even 6 per cent interest capital investment is considered to be very high. Therefore, Sir this clause has to be amended as suggested by me.

†Sri J. H. SHAMSUDDIN.—Sir, I am surprised at this amendment. The Madras Act was enacted in the year 1943, but things have chagned now. The ruling market rate of interest has enhanced. Formerly, the public loans were floated at 3 per cent but now Government itself is paying 4½ per cent. The rate of intrest in the Schedule Banks has increased. Having regard to the prevailing conditions in the market, this has been amended. Therefore, this amendment cannot be accepted.

MR. SPEAKER.—The question is :

"That for sub-clause (1) the following shall be substituted:—

(1) no pawnbroker shall charge interest in respect of a loan on a pledge at a rate exceeding—

(*a*) nine per cent per annum simple interest in the case of loans of Twenty-five rupees; and.

(*b*) six and a quarter per cent per annum simple interest (or one anna per rupee) in other cases;

(*c*) or at such other rate of interest lower than in (*a*) or (*b*) as the State Government may from time to time fix by a notification."

The amendment was negatived.

MR. SPEAKER.— Clause 6. The question is :

"That Clause 6 stand part of the Bill"

The motion was adopted.

Clause 6 was added to the Bill.

MR. SPEAKER.—Clauses 7 and 8. The question is :

"That Clauses 7 and 8 stand part of the Bill"

The motion was adopted

Clauses 7 and 8 were added to the Bill.

MR. SPEAKER.—Clause 9. There is an amendment.

Sri V. SRINIVASA SHETTY.—Sir, I beg to move :

"That in line 3 of the first proviso to sub-clause (1) between the words 'applicant' and 'has cause a public notice of his claim 'the words 'after intimating the fact in writing to the pawn-broker', shall be inserted."

Mr. SPEAKER.— Amendment moved :

"That in line 3 of the first proviso to sub-clause (1) between the words 'applicant' and 'has caused a public notice of his claim' the words 'after intimating the fact in writing to the pawn-broker', shall be inserted."

†Sri V. SRINIVASA SHETTY.—Sir, I will give one illustration, in this case, to explain the difficulty. Suppose A pledges an article with a pawnbroker. He loses his ticket, either it is stolen or lost. It is found by somebody else. After knowing that it is stolen or lost, he has to cause a public notice and wait for a number of days. Before the fixed day are over, he is unable to approach the pawnbroker and demand the pawned article. Now, the person who finds the ticket can rush to the pawnbroker and demand the article and the later cannot refuse and say that he is not the owner. After the fixed period, if the person who had really pawned the article goes to the pawnbroker, he will say that the article has already been taken. There is no remedy at all. I say, before the publication itself, the pawner should give a written notice to the pawnbroker to wait. This is a simple thing. My Hon'ble friend is unwilling to visualise the situation. There is something wrong on the other side not to see the point like this. I will be really sorry if they do not accept this useful amendment.

†Sri J. H. SHAMSUDDIN.—Sir, I would have realy accepted the amendment, if it was really necessary. When the pawner goes to the pawnbroker and says that he has lost the ticket, he has to make an application to the pawnbroker, to make a declaration that the pawn ticket has been lost. But, before doing that, he must give publication about the loss of the pawn ticket ; this is to see that anybody who might have found it may come to him and give it to him. Therefore, I request the Hon'ble Member to see his reason to withdraw the amendment.

Mr. SPEAKER.—The question is :

"That in line 3 of the first proviso to sub-clause (1), between the words 'applicant' and 'has caused a public notice of his claim', the words 'after intimating the fact in writing to the pawnbroker'', shall be inserted."

The amendment was negatived.

Mr. SPEAKER.— The question is :

"That Clause 9 stand part of the Bill''

The motion was adopted.

Clause 9 was added to the Bill.

MR. SPEAKER.—Clauses 10 and 11. The question is :

"That Clauses 10 and 11 stand part of the Bill".

The motion was adopted.

Clauses 10 and 11 were added to the Bill.

MR. SPEAKER.—Clause 12. There is an amendment.

Sri V. SRINIVASA SHETTY.—Sir, I move :

"That in Clause 12, sub-clause (2) shall be deleted and the other clauses renumbered suitably."

MR. SPEAKER.—Amendment moved :

"That in Clause 12, sub-clause (2) shall be deleted and the other sub-clauses renumbered suitably."

†Sri V. SRINIVASA SHETTY.—What I submit to the House is that no pawnbroker should be allowed to purchase or acquire the article by whatever means. In clause 16 (4), he is allowed to purchase by public auction. My Hon'ble friend on the other side who is a lawyer seems to think that the pawnbrokers' office is a civil court where properties are sold by public auction under a regular procedure. I am really sorry for that mental attitude. Possibly, he is quite ignorant of the pawnbroker's office. The lower class or the illiterate people who go there will never know this. It is not a civil court ; it is not a Government office. It is a private pawnbroker's office. If the article is value-less, I can understand his anxiety. If it is very valuable, much more so is the anxiety to acquire the article for a song. That is why I say that he should not be allowed to acquire the article for a song. That is why I say that he should not be allowed to acquire the article at all. Suppose, it is a very costly article pledged for a paltry sum ; and the public are not able to go there or he may try to avoid the public and acquire the article himself. For that reason I say that he should not be allowed to acquire the article. He is having all sympathy for the pawnbroker which is not really necessary. I therefore say that he should not be allowed to acquire the article or purchase it by whatever means.

† Sri M. C. NARASIMHAN.—Sir, this is a very fair and reasonable amendment. After all the pawnbroker is in the position of a trustee for the pawner. If that principle is conceded, then he should not in morality be entitled to come to the public auction and buy the thing. If he himself is the buyer, naturally the whole thing can be manipulated. Even as it is, auctions can be manipulated. I was wondering why in sub-section (1) it is only auction and in sub-section (2) only it is public auction is referred. Of course, the Deputy Minister was unable to answer the point. But any way, we know what type of public auction is being conducted. Even supposing rules are prescribed for the purpose of auction, even then it is not a safeguard against the manipulation of the auction. I want to ask, is there any safeguard if it is to the

satisfaction of the Registrar or any other authority for a matter of that when the whole auction is manipulated. Then pawnbroker manages to get the whole thing for a small sum. There is no remedy for the pawner. If that safeguard at least were there, we could have agreed to this. On principle, as submitted by Mr. Sreenivasa Shetty, this being a question of trust, he is not entitled to it. At least if there is a safeguard against the possible abuse of the powers and right vested in the pawnbroker, we could understand. I would like the Hon'ble Deputy Minister to answer me if there is any such safeguard.

†Sri J. H. SHAMSUDDIN.—Sir, I invite the attention of the Hon'ble Mover of this amendment and the Hon'ble Member who was supported him, to the last line in Clause 12. It is said that there shall be a set of rules which may be prescribed for the conduct and holding of auction. Naturally, when the rules are framed, sufficient provision will be made in the rules to safeguard the interest of the pawner in order to prevent the mischief that is being suspected or apprehended, Sir, this is a monetary transaction. The pawnbroker advances his amount under certain conditions, one of them being recovery of interest. If supposing, at a particular time, the pawner is not anxious to redeem the article, or it may that the principle and interest together exceed of the value of the article pawned, naturally, we cannot compel the pawnbroker to be ideal. He will give a notice of what is called a public auction. Rules will be prescribed as to how that public auction has to be conducted. Individually, it is a notice to the pawner as well. Therefore, if the pawner thinks that his interest will be jeopardised, he will see that bidders are brought at the public auction.

Sri B. K. PUTTARAMAIYA.—Under Clause 2, what is said is only auction. There is no reference to 'public auction'.

Sri J. H. SHAMSUDDIN.—It means public auction.

Sri B. K. PUTTARAMAIYA.—Sir, it is clearly said that it shall be an auction in clause (1). The Minister is also agreed that it should be a public auction. Why not this oral amendment be accepted in the interest of the State, Sir ?

Mr. SPEAKER.—The amendment proposed is to sub-clause (2), not under sub-clause (1). If he wants to raise objection to clause (1), he will be given a change, after the amendment is disposed of. He can speak on the clause itself.

†Sri J. H. SHAMSUDDIN.—As I was saying that auction cannot be allowed to be ineffective of infructuous, when notice is given of public auction as contemplated in clause (2), the pawner, if he feels that his interest is jeopardised, he will himself bring bidders. A situation may arise when the article pledged may be less costly than the amount due to the pawnbroker, naturally he must be allowed to make good his amount advanced with interest. Therefore, we cannot prohibit him from taking his chances in public auction. It would be an unnecessary and unreasonable restriction upon the pawnbroker. Therefore, the

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deletion of Clause (2) is not necessary and this is necessary for the proper functioning of the pawnbroker and the pawner.

Mr. SPEAKER.—I will put the amendment to the House. The question is :

"That in Clause 12, sub-clause (2) shall be deleted and the other sub-clauses renumbered suitably."

Theamendment was negatived.

Mr. SPEAKER.—Now the clause is before the House. Sri Puttaramaiya may speak on the clause.

† ಶ್ರೀ ಬಿ. ಕೆ. ಪುಟ್ಟರಾಮಯ್ಯ.—ಸ್ವಾಮಿ, ಇದರಲ್ಲಿ by auction ಎಂದು ಇಷ್ಟೇ ಇದೆ. ಇದರ ಅರ್ಥ by public auction ಎಂದು ಆಗುವುದಿಲ್ಲ. ಇಷ್ಟೇ ಅಲ್ಲದೆ ಇದರಲ್ಲಿ notice to power ಎಂದು ಕೂಡ ಇಲ್ಲ. ನೋಟಿಸ್ ಕೊಡದೇ ತಮ್ಮ ರೂಮಿನಲ್ಲಿ ಕುಳಿತು ಆಕ್ಷನ್ ಮಾಡಿಬಿಡಬಹುದು. ಆದ್ದರಿಂದ a notice to the pawner must be given and it should be by public auction. ಈ ರೀತಿ ಇರಬೇಕು.

ಅಧ್ಯಕ್ಷರು.—ಮುಂದೆ ಓದಿ ನೋಡಿ, by auction ಅಂದರೆ ಬೇರೆ ಇರುತ್ತದೇನು ?

ಶ್ರೀ ಬಿ. ಕೆ. ಪುಟ್ಟರಾಮಯ್ಯ.—ಸ್ವಂತ ಮನೆಯ ಜನರನ್ನು ಕೂಡಿಸಿಕೊಂಡು ಆಕ್ಷನ್ ಮಾಡಿಬಿಡಬಹುದು. ಆದ್ದರಿಂದ ಈ ಎರಡು ಪದಗಳನ್ನು ಸೇರಿಸಿದರೆ ಏನು ಕಷ್ಟವಾಗುತ್ತದೆ ? ಜನರ ಹಿತದೃಷ್ಟಿಯಿಂದ ಇದನ್ನು ಮಾಡಬೇಕು. ನೋಟೀಸ್ ಕೊಡುವುದು ಸಹ ಅವಶ್ಯಕವಿದೆ.

ಶ್ರೀ ಬಿ. ಡಿ. ಜತ್ತಿ.—ರೂಲ್ಸ್‌ನಲ್ಲಿ ಅದನ್ನು ಮಾಡುತ್ತಾರೆ.

Sri M. C. NARASIMHAN.—I support Sri Puttaramiah's oral amendment. Notice to the pawner may be provided for in the rules.

Sri J. H. SHAMSUDDIN.—Sir, by auction, it is presumed to be public auction and so it is not necessary to add the word "public".

In the other case, as I have already said, while making rules all safeguards will be taken to protect the interests of the pawner. Notice of the auction may also be provided for in the rules and so the apprehended mischief will be prevented.

Sri M. C. NARASIMHAN.—If this is an assurance held out by the Deputy Minister, that it will be incorporated in the rules, then it should be taken note of.

Mr. SPEAKER.—The question is:

"That Clause 12 stand part of the Bill."

The motion was adopted.

Clause 12 was added to the Bill.

Clauses 13 *and* 14.

†Sri S. D. KOTHAWALE.—Sir, sub-clause (1) of Clause 13 says that in case of destruction or damage to the pledge by fire, the pawnbroker shall be liable to pay the value of the pledge and sub-clause (2) says

that the pawnbroker shall be entitled to insure to the extent of the value of the pawn, but it does not provide who will bear the charge the insurance. It is in the interests of the pawnbroker himself that it should be insured, but he should not have the right to pass on the insurance charge to the pawnee. I hope the Government will clarify this point and provide in the rules that the pawnbroker shall not be entitled to pass on the insurance charge to the pawnee.

Sri M. C. NARASIMHAN.—Under the rule making power overnment can prescribe that such and such fees alone shall be passed on the pawnee and under that provision this can be done.

Sri J. H. SHAMSUDDIN.—While making rules all these points will be taken into consideration and rules made accordingly.

Mr. SPEAKER.—The question is :

"That Clauses 13 and 14 stand part of the Bill."

The motion was adopted.

Clauses 13 and 14 were added to the Bill.

Clause 15.

Sri V. SRINIVASA SHETTY.—I beg to move :

"That in line 2 of sub-clause (2), the words 'after having been previously convicted of a similar offence' shall be deleted".

Mr. SPEAKER.—Amendment moved :

"That in line 2 of sub-clause (2), the words 'after having been previously convicted of a similar offence', shall be deleted".

† Sri V. SRINIVASA SHETTY.—Sir, sub-clause (1) of Clause 15 provides that a pawnbroker who advances a smaller amount or receives higher interest than that specified in accounts shall on conviction be punished with a fine of Rs. 500. This is a heinous practice which a pawnbroker will resort to. If person has been convicted after adducing evidence in a court of law for these offences, it is in the fitness of things that such a pawnbroker should not continue in business. I have suggested that his licence shall be cancelled also. Even I am prepared to go to the extent of saying that after the first conviction itself for such an offence, the court may consider whether he is a fit person to hold licence and continue in business.

4-00 P. M.

This benign Government, in this particular case, has said that a man convicted once may continue in business and if he is covicted again the court may consider whether he should continue in business or not. Even after the second a discretion is given to the court. The offences enumerated in Clause 1 are henious and I do not see any reason why the Court have the discretion after the second offence. Such discretion ought to be provided for even at the first offence and the court should de-business him after the second offence. I am not against the principle

(Sri V. SRINIVASA SHETTY)

of this clause. Unfortunately, my friend has closed eyes and is in no mood to listen to the voice of reason. At least I hope he would accept this amendment.

†Sri J. H. SHAMSUDDIN.—I am sorry I am not in a position to accept the amendment. As I said in the beginning, if the licence is to be cancelled even after the first offence, there would be complications and confusion. Articles are pledged and are redeemable after a certain period. If even before the period expires, the licence is to be cancelled, complications would be arise because pawnbroker then becomes disentitled to have the articles with him or charge interest. We are inflicting a heavy penalty of fine upto Rs. 500 and some chance ought to be given to him to rectify, improve and repent his misdeed.

Sri V. SRINIVASA SHETTY.—Will not the same complication arise, if the licence is cancelled after the second offence.

Sri J. H. SHAMSUDDIN.—After the second offence, the Court will take judicial notice and may exercise jurisdiction to cancel the licence. Even in criminal cases, on the first offence a person is leniently detal with and he is given an opportunity to reform himself. After all, this is a mal-practice in business and some chance should be given to the offender to reform himself.

Mr. SPEAKER.—The question is :

"That in line 2 of sub-clause (2), the words 'after having been previously convicted of a similar offence', shall be deleted."

"That in line (3), for the word 'may', the word 'shall' shall be substituted."

The amendment was negatived.

Mr. SPEAKRR.—The question is :

"That Clause 15 stand part of the Bill".

The motion was adopted.

Clause 15 was added to the Bill.

Clause 16

Sri V. SRINIVASA SHETTY.—I do not want to move amendments because I find it is a waste of breath.

Mr. SPEAKER.—The question is :

"That Clause 16 stand part of the Bill."

The motion was adopted.

Clause 16 was added to the Bill.

Clauses 17 to 24

Mr. SPEAKER.—The question is :

"That Clauses 17 to 24 both inclusive, stand part of the Bill."

The motion was adopted.

"Clauses 17 to 24, both inclusive, were added to the Bill."

Mr. SPEAKER.—The question is :

"That Clause, 1 the Short Title and the Preamble stand part of the Bill".

The motion was adopted.

"Clause 1, Short Title and the Preamble were added to the Bill".

Motion to pass.

Sri J. H. SHAMSUDDIN.—I beg to move :

"That the Mysore Pawnbrokers Bill, 1961, as passed by the Legislative Council be passed".

Mr. SPEAKER.—The question is :

"That the Mysore Pawnbrokers Bill, 1961, as passed by the Legislative Council be passed".

The motion was adopted.

MYSORE SHOPS AND COMMERCIAL ESTABLISHMENTS BILL, 1961 AS PASSED BY LEGISLATIVE COUNCIL.

Motion to consider

Sri B. VAIKUNTA BALIGA (Minister for Law and Labour).—Sir, I move :

"That the Mysore Shops and Commereial Establishments Bill, 1961, as passed by the Legislative Council, be taken into consideration".

Mr. SPEAKER.—Motion moved :

"That the Mysore Shops and Commercial Establishments Bill, 1961, as passed by the Legislative Council, be taken into consideration".

†Sri B. VAIKUNTA BALIGA.—Sir, it is needless for me to remind the House that the Bill was introduced, discussed and afterwards referred to a Joint Select Committee. The Joint Select Committee considered all the matters, received all the representations and made the report and after the report was submitted, the report and the Bill came up for consideration before the Legislative Council and it has been passed. Now it has come to the Assembly for concurrence. It is not necessary for me to say except that various aspects which were